

THE JACOBS REPORT

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BUDGET WRAP UP

Except for budget areas concerning the state police; history, arts, and libraries; and capitol outlay, the Legislature wrapped-up work on state finances this week, sending a baker's dozen of budgets to the governor for signature. The supplemental budget (House Bill 4436/Public Act 279 of 2005) and the school aid supplemental budget (Senate Bill 279/Public Act 98 of 2005) have already been enacted.

The Department of State Police budget (SB 280) is the only 2005-06 budget bill yet to clear at least a House/Senate conference committee. The conference panel is scheduled for 9:30 Thursday, with a Senate vote on the conference report to follow later that same day.

The largest piece of controversy in the police budget centers on the proposed closure of three State Police posts: Iron River, Grand Haven and the Groveland Post in Oakland. The closings are one of three cuts recommended by the governor to avoid cutting the state's trooper strength. Cuts to MCOLES funding and to the school bus inspection program were also requested. The inspection program would not be eliminated, but entrusted to local inspections rather than to the state.

Closing the three posts has been controversial from the start, but Governor Granholm has expressed a willingness to keep them open if costs can somehow be offset. Efforts to keep posts open have failed during each step of the budget process.

MCOLES is the Michigan Commission on Law Enforcement Standards, an agency within the Department of State Police. MCOLES sets testing and certification standards for law enforcement officers and the criminal justice community in Michigan.

TASK FORCE DEVELOPING FUNDING PLAN FOR LOCALS

In early 2006, the governor and Legislature will receive recommendations on revenue improvement for local governments. In turn, local governments will receive recommendations on how they can better provide services with limited funds.

The Governor's Task Force on Local Government Services and Fiscal Stability, which has been operating without funds, expects to produce its final report in late January. "There is a pending local government financial crisis," said Greg Pitoniak, mayor of Taylor. "In the next five years,

some local governments [will be] on the brink of financial insolvency [even though] they're well managed and politically stable."

"This task force is a very important step in recognizing the problems facing older communities in Michigan," said Hazel Park City Manager Ed Klobucher. "Mature, fully built-up municipalities cannot raise sufficient revenue to provide basic government services whose costs rise faster than inflation. We're stuck in a vice here and it's going to be a slow death for cities if we don't fix the system."

Alex Allie, Huntington Woods city manager, expressed concern that the task force should offer recommendations that will help the vast range of local governments. "It's very difficult to come up with things that are going to work across the board," he said.

"Alex has volunteered a great amount of time and effort to this task force," said Senator Gilda Jacobs (D-Huntington Woods). "I commend his work just as much as I appreciate his expertise."

CLUB KENO A BIG WINNER FOR STATE

Just passed its second birthday, the Club Keno lottery game played in Michigan bars and restaurants is so popular that it has pushed state lottery sales over the \$2-billion mark for the first time in its 33 years.

According to Lottery Commissioner Gary Peters, Club Keno will gross about \$330 million, or 16% of all lottery sales.

The game has also been a boon for restaurants and taverns.

Lottery profits go exclusively to the School Aid Fund to benefit Michigan public schools. After prize payouts are counted, Club Keno will send \$82.5 million to the School Aid Fund.

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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